



# PRESS RELEASE

## Internal Revenue Service - Criminal Investigation *Chief Richard Weber*

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IRS – Criminal Investigation

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### **North Carolina Man Pleads Guilty to Tax Evasion and Serving as Pilot Without License**

A North Carolina man pleaded guilty today to tax evasion and four counts of serving as a pilot without an airman's certificate, announced Acting Assistant Attorney General Caroline D. Ciralo of the Justice Department's Tax Division and U.S. Attorney Ripley Rand of the Middle District of North Carolina.

According to court documents, from 2011 through 2014, Paul Douglas Tharp attempted to evade payment of an outstanding federal income tax debt by filing false documents, including false tax returns, with the Internal Revenue Service (IRS). After Tharp failed to file tax returns for the years 2003 through 2006, the IRS assessed federal income taxes for those years. Tharp also late-filed his 2007 income tax return. According to court documents, Tharp owed more than \$300,000 in taxes for the years 2003 through 2007. In 2011, Tharp provided a false Form 433-A, Collection Information Statement for Wage Earners and Self-Employed Individuals, to an IRS revenue officer who was assigned to collect his unpaid taxes, on which he failed to report that he owned an airport and an investment firm, and concealed his business bank accounts and rental income he had received under penalty of perjury. In 2012 and 2014, Tharp also filed tax returns for the 2011 through 2013 tax years on which he omitted significant income that he received from his airport and rental properties.

"Collection Information Statements are an important tool that the IRS uses to determine an individual's ability to pay his outstanding tax liability," said Acting Assistant Attorney General Ciralo. "When taxpayers submit false information, or willfully omit income or assets, impeding the IRS's efforts to collect taxes due, the Tax Division stands ready to prosecute. Taxpayers who are engaged in this criminal conduct will pay a heavy price, including incarceration and monetary penalties."

As part of his plea, Tharp also admitted that he served as a pilot without the required certification on four different occasions in 2012. Tharp surrendered his pilot certificate on Aug. 2, 2012 and after that date, he flew four flights in and out of Davidson County Airport in Lexington, North Carolina, without valid registration and while his pilot certificate was suspended in 2012.

Pursuant to the plea agreement, Tharp faces a potential statutory maximum sentence of five years in prison for the tax evasion charge and three years in prison for each count of serving as a pilot without an airman's certificate, as well as a maximum fine of \$250,000 for each count of conviction. He must also pay restitution in the amount of \$281,366.62 to the IRS. The sentencing hearing is set for April 22, 2016.

Acting Assistant Attorney General Ciruolo and U.S. Attorney Rand commended special agents of IRS-Criminal Investigation, who investigated the case, and Trial Attorney Nathan Brooks of the Tax Division and Assistant U.S. Attorney Anand Ramaswamy of the Middle District of North Carolina, who are prosecuting this case.

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